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## AGRICULTURAL SYNDICATES IN FRANCE.\*

It may be a fact of some interest for Americans that the *Syndicats Agricoles*, which are rightly attracting the attention of agricultural authorities in various parts of the world, and promise entirely to revolutionize French rural economy, owe their origin, in the first instance, to an American idea. Count Rocquigny, in the interesting account which he has published of the agricultural associations with which his name has become creditably associated, candidly admits that it was the "Farmers' Alliances" of the United States which first suggested the present form of French agricultural combination to its authors. As it happens, the offspring bids fair to prove of wider and more enduring benefit than the parent. Its past record has been one of truly astounding successes. It has spread as if by magic. In the brief space of barely a decade, it has covered all France with a network of organizations ministering to the needs of agriculture in a surprising variety of ways, and flourishing almost everywhere. There is not a department now without its *Syndicats*,—linked together in departmental, or, beyond that, in regional "groups," or not, as the spirit of union or of local independence happens to have prompted members,—generally doing good work. In M. Gatellier's words, the syndicates have "democratized" the use of feeding stuffs, artificial manures, and improved agricultural implements, increasing the consumption of manures alone from a poor 52,000,000 francs to 120,000,000, which promises a great increase in the near future, while reducing the current prices by from 20 to 30 per cent., and substituting a genuine article for one very much adulterated. They are diffusing agricultural education, improving cultivation, and—greatest benefit of all—they are teaching the value of independent thought and independent action to the French peasant, whose one distinctive fault heretofore has

\*Comte de Rocquigny, *Les Syndicats Agricoles, et le Socialisme Agraire*. Préface de H. Le Trésor de la Rocque, Président de l'Union des Syndicats des Agriculteurs de France. Paris: Perrin et Cie. 1893.

been the want of "private initiative," and schooling him to rely upon himself and the assistance which by exchange he can secure from his neighbors, rather than on the questionable benefit of State help.

Count Rocquigny's book explains all the various methods employed, and presents, indeed, a highly attractive picture of syndicate work accomplished, in which it would not be possible to point out any one line which runs counter to truth. But, to the eye of one who has seen the syndicates actually at work, the picture appears a little wanting in clearness, owing to something of a false perspective, arising from a failure to indicate the precise proportion between the measure of success actually attained on different portions of the ground covered. This is easily explained by the fact that the count is writing far more with a view to incite his own countrymen to syndicatist action than merely to enlighten foreigners as to what has been accomplished. But to foreigners the caution is necessary.

The *Syndicats* began with a most ambitious programme. The Socialists had made inconvenient headway in some specifically agricultural departments of Central France. Laborers' unions had been formed, strikes were being organized, piece-work was being protested against. To meet such organizations on their own ground and prevent the formation of more, Professor Tanviray and his friends opposed to the "class" syndicates, consisting of workingmen only, their new "mixed" syndicates, composed both of small folk and of large land-owners. And they declared fierce war against "Socialism," which war, even from their own point of view, appears to have been carried a trifle too far. Indeed, one whole "part" of Count Rocquigny's book is taken up with arguments against Socialism. The *Syndicats* wanted to build up as well as pull down. By their professors teaching technical knowledge, by their laboratories and their monthly publications,—the prized *Bulletin*, which in most districts has had a decided success,—by the prize competitions organized, the prizes offered for better cultivation, for the construction of liquid manure tanks, for the use of perfected implements,

by the advice freely given on the use of artificial manures, and by similar action, the syndicates have become one of the most serviceable agents of technical education in France. Beyond that they proposed effectively to defend agricultural interests on the political battlefield. And, in one instance, at the general election of 1889, the *Syndicat Economique Agricole* of Paris really was fortunate enough to score a success of this kind, by inducing a majority of the candidates for the new Chamber to accept openly the agricultural programme,—rejection of the proposed commercial treaty with Switzerland, lowering of the railway tariff, and a reduction of the land tax, all which measures have been carried. They also aimed at organizing co-operative sales of agricultural produce, combination for productive purposes, in the shape of co-operative dairies, vintries, and the like.

All this really is on paper the most interesting portion of the work done. One seems to feel, from Count Rocquigny's account, as if the great problem, the favorite problem with agriculturists of all nations, had at length been solved, and farmers had been taught to become their own salesmen, altogether independent of intermediaries. We read of horses and cider sold by syndicates in Normandy, of a syndicate taking an army contract for straw, and of similar transactions. But, in truth, all this amounts to very little. The practical successes which at all deserve speaking of are on this ground still to come. On the other hand, the syndicates have really been surprisingly successful in their organization of supply co-operation, and, beyond that, in their organization of co-operation for common work, much of which Anglo-Saxon and German farmers accomplish in combination, without resort to a formally constituted union. In France the spirit of combination was before 1883 altogether undeveloped, but the *Syndicats* must not take all the credit for this success exclusively to themselves. They have come upon the scene in the very nick of time, and, by the help of very able officers and a good administration, have managed to turn favorable circumstances to excellent account. In truth, however, all France, which previously looked upon co-operation only as a useful handmaid to

*production*, promising to bring emancipation and independence to workingmen, has lately become alive to the value of co-operation of other kinds, more particularly credit and supply. While agricultural syndicates have been organizing, agricultural co-operative supply stores, after the pattern of the London Army and Navy Stores, have been springing up and multiplying in towns; and in the south of France co-operative people's banks have become a recognized source of popular credit. Co-operative associations are now multiplying apace; and the official account of the growth of co-operation in its various aspects, which is in slow course of preparation in the Rue de Grenelle, promises to prove a most interesting publication. But, unquestionably, the *Syndicats* have managed to guide and swell this general current beyond anything which could have been anticipated.

The *Syndicat* movement, in fact, represents one of the most beneficently effective social or economic movements which France has seen for many a year. And its possibilities, as M. Brelay puts it, altogether defy measuring. This is the more surprising, since the act of 1884, which forms the constitutional charter of *Syndicats*, deliberately places hindrances in the way of these institutions, and makes it difficult for them to transact business. Hence those rather cumbrous methods of sale and purchase, which there is no space here to describe, and which Count Rocquigny admits to be roundabout and troublesome. Hence, also, the curious classification of members, which seems so wholly opposed to the democratic idea, and which one can scarcely expect to see maintained long in republican France, though up to the present no serious inconveniences appear to have risen. There are *membres fondateurs*, rich men paying heavy subscriptions, and pledging themselves for a fixed term of perhaps five years, and *membres effectifs*, poor cultivators, who pay a small subscription, and are free to come and go. It is the latter mainly who are intended to derive any benefit; and, in the very few credit syndicates thus far formed, it is they alone who do so. The rich men are patrons. Possibly that mode of organization was inevitable, but it is obviously open to objection. It does not represent the purest form of self-help.

However this may be, it is impossible not to admire the great good which these institutions have done to French agriculture when one sees it. And one cannot help thinking that from co-operation practised in so striking a variety of forms — co-operation not only in every description of supply and of insurance, but also in such work as draining and embanking, fumigation to repel the frost from vineyards, exterminating noxious insects, buying implements for common use, from large steam threshing-machines down to the smallest tools, co-operation for blending vines from different departments, for arbitration, for settling the proper customs as between incoming and outgoing tenants, and many things more — agriculturists in other countries ought to be able to learn something, even though for the ordinary purchase of goods they do not require a new form of association.

HENRY W. WOLFF.

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AN interesting contribution to the monetary history of the United States since 1878 was made in a valuable paper read by Mr. M. L. Muhleman at the meeting of the International Institute of Statistics in Chicago. Mr. Muhleman, who has had experience as an officer in the Treasury for many years, stated that the demand on the Treasury for notes of the smaller denominations had for years been steadily large and difficult to meet. The indications at the central point of issue have, apparently, been that the supply of this sort of currency has been insufficient rather than redundant for the convenience of retail transactions; the situation being thus different from that in regard to the subsidiary coins, of which the Treasury has held much more than the community had occasion to use. Mr. Muhleman expressed his opinion that, even before the extraordinary demand of the midsummer panic of 1893 set in, the normal demand for the notes of the four smaller denominations (one, two, five, and ten dollars) had not been satisfied,

and that fifty millions or more could be added to the stock of these denominations without causing embarrassment. This is testimony of weight on an interesting and important phase of the currency situation.

The total volume of paper issues of all sorts, in denominations of twenty dollars and less,—including gold and silver certificates, United States notes, and Treasury notes and bank-notes,—was: in 1878, 563,000,000; in 1886, 707,000,000; in 1893, 966,000,000. This is a growth more rapid than that of the population, and indicates a great increase in the volume of exchanges and purchases in which material welfare reaches its final and concrete expression. It shows once more the direction in which the United States was able to absorb the silver issues of the act of 1878. It shows, too, the nature of the probable limits to the power of absorbing the heavier issues of the act of 1890.

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THE parliamentary papers on the suspension of the free coinage of silver in India have been published, and have been reprinted at Washington by order of Congress. They comprise: (1) the report of the Indian Currency Committee, known from the name of its chairman as the Herschell Committee; (2) the correspondence between the Indian government and the home government; (3) the testimony before the Indian Currency Committee. From the correspondence it appears that the Indian government suggested as early as March, 1892, the adoption of some measures towards checking the decline in the gold value of the rupee. In June, 1892, it specifically recommended the closing of the mint to the free coinage of silver, and arrangements for the introduction of the gold standard, in case the international conference then impending should fail to reach a satisfactory result. The Indian Currency Committee was appointed in October, 1892, to consider this recommendation. In January, 1893, the Indian government submitted a draft bill for suspending the free coinage of

silver; and on May 31 the committee made its elaborate report. The report was at once sent to India; and, after a telegraphic exchange of opinions, the home authorities on June 20 authorized the Indian government to proceed. The act for suspending the free coinage of the rupees was accordingly passed a few days later.

The communications of the Indian government, and the report of the Currency Committee, alike lay stress on the probability of the cessation of silver purchases in the United States, and of a consequent further fall in the price of silver; and they urge that any measures taken to protect the Indian finances should come before this further cause of embarrassment had come into operation. The grounds and probable results of the final step are discussed by competent hands in the September number of the British *Economic Journal*.

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THE Report of the Senate Committee of Finance on Wholesale Prices, Wages, and Transportation, was finally issued in the course of the summer. Though published as a Senate report, it is virtually a publication of the Department of Labor, the work of collecting and arranging the enormous mass of material having been intrusted to that department, and carried on under the direction of Commissioner Carroll D. Wright. The investigation was conducted on a scale such as would have been impossible without a very heavy expenditure of funds, which, in this case, at least, was directed to the publication of material of high value. The report fills four large volumes, and is a monument of thorough and skilful statistical work. No such careful and complete investigation of the course of prices has ever before been made.

The investigation was first undertaken, it will be remembered, from a praiseworthy desire to secure authentic facts and unbiassed conclusions on the workings of the tariff. But, as might have been expected, this particular object could not be separately pursued; and the present collection of materials,



while it may be helpful to the student of tariff legislation, is helpful simply as all material on industrial history may serve his turn. The main problems on which light is thrown are the monetary ones. Here we have continuous quotations of the prices of 223 articles from 1860 to 1891, while for 90 of these articles the quotations are from 1840 to 1891. There are 543 series of wages returns from 1860 to 1891, and 61 series which begin as early as 1840, each series referring to a considerable number of workmen. There are elaborate and continuous data on rail and water transportation rates. The prices are quoted four times for each year, at the beginning of the quarters, and are prices from actual sales, ascertained chiefly from the books of merchants. Wages are given for January and July of each year, and are similarly ascertained from actual pay-rolls.

Not only is there this imposing mass of invaluable material, but there is a complete analysis of the main results. The task of digesting the statistics was put into the capable hands of Professor R. P. Falkner, to whom economists are indebted for a presentation of the results so skilful and complete as to dispense in large measure with the need of referring to the material itself. Professor Falkner has computed index numbers, based on the January prices of each year, indicating the course of prices for different groups of articles,—food, clothing, metals, and so on,—and has computed also general index numbers for the whole list of articles. In reaching the index numbers, both the simple arithmetical mean and the mean weighted according to the importance of the articles were used. The returns of wages were similarly digested, index numbers for different occupations and for the whole set of returns being worked out. Finally, at the close, the results of the various European investigations of prices are summarized for ready comparison with those of the Report. The materials, the results, and the methods of the whole investigation will command at once the earnest attention of economists, and will not fail to be the occasion for active and instructive discussion.

THE financial troubles of the last few months have once more brought into relief the peculiar position of gold in the currency of the United States. During the months of July and August, when the scarcity of "money" for every-day use was greatest, the banks paid out from their reserves, especially in New York, considerable sums in gold coin. These coins, however, could not make their way into active circulation, partly because they were not in the denominations desired for the ordinary exchanges and purchases, partly because the purses and pockets of the people were not adapted for their safe and easy carriage. The demand was for paper money of the smaller denominations, and the "premium" which existed during July and August was mainly for currency of this sort.

The crisis reached its severest stage, as indicated by the operations of the New York banks, in the second half of August. The course which it ran is indicated by the following figures, which give the condition of the banks at selected dates:—

[MILLIONS OF DOLLARS.]

	Loans.	Deposits.	RESERVE.	
			Specie.	Legal Tenders.
February 4 (maximum deposits), . . . .	464.9	495.5	83.4	59.2
May 27 (before the stringency), . . . .	415.9	436.7	70.7	64.0
June 17 (clearing-house certificates issued)	410.7	406.5	68.2	42.2
August 12 (lowest reserve), . . . . .	411.8	372.2	53.6	22.9
September 16 (recovery), . . . . .	392.9	377.3	73.5	31.5

Between the close of May and the middle of June the banks lost twenty-two millions of legal tenders, and so were led to the issue of clearing-house certificates. A further loss of twenty millions took place during the next two months, leaving the reserve at its lowest point in the middle of August. The holdings of specie (which is almost all gold) showed a much less marked decline, from seventy millions in May to fifty-three millions in August.

One consequence of the critical conditions of this period was an abrupt change in the character of the money taken in and paid out by the government treasury in New York. The following figures, which give the percentage of the various sorts of money received at the custom-house in New York for import duties, indicate the nature of this curious turn:—

	Gold Coin.	Gold Certificates.	Silver Coin and Certificates.	U. S. Notes.	Treasury Notes.
January, . .	0.0%	8.9%	15.8%	42.1%	33.2%
February, .	0.0	9.2	20.7	33.3	36.8
March, . .	0.0	7.8	15.7	28.0	48.5
April, . . .	0.1	2.9	23.3	41.0	32.7
May, . . .	0.1	0.0	37.8	26.2	35.9
June, . . .	0.0	0.0	12.0	53.0	35.0
July, . . .	12.5	4.6	12.3	55.6	15.0
August, . .	47.4	4.3	5.1	37.6	5.3
September, .	58.1	1.7	17.7	16.3	6.2

It will be seen that in the early months of the year gold and gold certificates had practically disappeared from the customs receipts, United States notes and Treasury notes forming the bulk of them. The causes of this state of things are sufficiently well known,—the decline in the Treasury gold reserve at the beginning of the year, the uneasiness as to the maintenance of gold payments, and the redundancy of paper. In July, August, and September the situation suddenly changed. Gold coin was paid in for customs in large amounts, while silver certificates and Treasury notes of the issue of 1890 almost disappeared. Evidently, gold coin was turned into the Treasury to meet public dues, while paper of the sort available for every-day use was retained to meet the extraordinary demands of the panic period.

DURING the summer of 1892 I was fortunate enough to have a conversation with a very thoughtful English artisan, whose account of his own "trade" revealed a degree of immobility among skilled laborers which I was hardly prepared to find.

My informant had been a "hat-shaper" in London for thirty-six years, working for the largest hat-manufacturer in England. Yet during the whole of that period he scarcely knows of any instance in which a shaper, however slack employment may have become, went into another occupation. In fact, he recalls absolutely no case except that of one man, who for twelve months found work as an odd-job man at a neighboring leather factory.

Sixteen years ago a machine was introduced which, though it did not altogether dispense with the labor of shapers, has reduced the wages of three out of four of them to one-half of what they were before. Yet my informant knows no case of a man leaving the occupation in consequence. This applies to many score of men, the *élite* of the "trade" in point alike of skill and intelligence. It applies equally to men unmarried and married, old, middle-aged, and young. It is interesting to notice, moreover, that, though my informant was himself the son of a small master baker and his own children had not been brought up to his own industry, he was of opinion that most of the shapers of whom he spoke were the children of hatters.

W. J. A.